

Conference Report to H.R. 5895: Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs Appropriations Act, 2019 (Rep. Simpson, R-ID)

CONTACT: Jay Fields, 202-226-9143

FLOOR SCHEDULE:

The <u>Conference Report</u> for H.R. 5895 is expected to be considered beginning on September 13, 2018, under a closed rule.

The Conference Report reconciles the House and Senate versions of H.R. 5895, which includes the Energy and Water Development and Related Agencies Appropriations Act, 2019, the Legislative Branch Appropriations Act, 2019, and the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2019.

The Joint Explanatory Statement accompanying the Conference Report can be found here.

The Legislative Bulletin for the House version of H.R. 5895 can be found here.

TOPLINE SUMMARY:

The <u>Conference Report</u> for the "minibus" would provide appropriations for the agencies funded by the Legislative Branch (Leg Branch), Military Construction and Veterans' Affairs (MilCon-VA), and Energy and Water (E&W) Appropriations acts.

COST:

According to a Congressional Budget Office (CBO) <u>cost estimate</u>, the Conference Report would provide a net total of \$ 146.612 billion in base discretionary spending. Of this total, \$32.772 billion is for defense purposes and \$113.840 billion is for non-defense purposes.

Additionally, the bill would provide \$921 million for cap-exempt Overseas Contingency Operations (OCO) funding under the MilCon-VA Division of the bill.

CONSERVATIVE VIEWPOINTS:

Conservatives may be concerned that the minibus increases non-defense spending above existing levels to comport with the increased non-defense discretionary spending caps raised by the Bipartisan Budget Act of 2018. The spending levels in the bill generally exceed the non-defense funding requested by the

President's budget, particularly to programs contained in the Energy & Water Appropriations, Act. Many conservatives have indicated that the reason they voted in favor of the BBA2018 was to boost military funding, and opposed the non-defense increase. Some conservatives may believe that consideration of the Department of Defense appropriations bill should be prioritized before consideration of non-defense appropriations measures.

Some conservatives may prefer to consider appropriations bills separately, rather than grouped in minibuses or omnibuses. President Trump, after signing the FY 2018 Omnibus into law on March 23, 2018, <u>stated</u>: "I would never sign another bill like this again." Other conservatives may believe that consideration of individual bills is less preferable because it would require conservatives to vote multiple times on bills with increased non-defense discretionary spending levels and that consideration of minibuses could make it easier to enact appropriations bills into law.

Some conservatives may be concerned that it appears that all conservative policy riders adopted by the House as amendments during floor consideration were not included in the final bill such as those related to purchasing heavy water from Iran, converted cropland, and the social cost of carbon.

Some conservatives may be concerned that the Energy & Water division of the Conference Report does not prohibit funds to be used to stop Yucca Mountain from being used as a repository. It also does not repeal the EPA/Army Corp's WOTUS rule. The House bill did both.

Some conservatives may be concerned that the Conference Report would provide no funding to implement the <u>President's proposal</u> to move the Army Corps' of Engineer's Civil Works program out of the Corps with navigation going to the Transportation Department for infrastructure grants and all other accounts going to the Interior Department. The proposal was made as part of a package of agency reforms and reorganization recommendations titled "<u>Delivering Government Solutions in the 21st Century</u>", many of which have been applauded by conservatives.

Conservatives may be concerned that unlike the House bill, the Conference Report would not permanently prohibit the Army Corps from adopting or enforcing any regulations that ban individuals from possessing a firearm at a Corps project.

Some conservatives may be concerned that the Energy & Water division of the bill would provide \$13.472 billion for energy programs within the Department of Energy (\$5 billion above the president's budget request). This funding would go toward dozens of programs that the RSC budget would eliminate, and many conservatives believe should not be funded by the federal government and should be left to the private sector.

Some conservatives may be pleased the Conference Report provides discretionary funding for the VA MISSION Act which establishes a permanent community care program for veterans which would be funded by discretionary appropriations subjected to the spending caps rather than through mandatory spending (as the VA Choice Act was).

Some conservatives may be pleased that the Legislative Branch division would no longer provide funding for former Speakers of the House.

Some conservatives may be concerned that the Legislative Branch division would give House leadership offices a \$3 million increase (spread among seven offices) whereas rank-and-file office MRAs would receive an increase of less than \$11 million (spread among 441 members, delegates, and resident commissioner).

Some conservatives may be concerned this division would fund the Stennis Center, and Open World Leadership Center, two programs the at the <u>RSC Budget has proposed to eliminate</u>.

- **Expand the Size and Scope of the Federal Government?** Yes, the bill would increase spending above current levels.
- **Encroach into State or Local Authority?** Some conservatives may believe that some of the programs funded by the bill encroach into state and local authority.
- Delegate Any Legislative Authority to the Executive Branch? No.
- Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits? No, according to the Committee Reports for the underlying bills.

DETAILED SUMMARY AND ANALYSIS:

<u>Division A: Energy and Water Development And Related Agencies Appropriations Act, 2019</u>

The House Committee Report for the FY 2019 Energy And Water Appropriations Act can be found here. The Senate Committee Report for the FY 2019 Energy And Water Appropriations Act can be found here.

Columbia River Spillover: The bill <u>would not block</u> a 9th Circuit Court of Appeals federal judicial decision requiring that dams on the Columbia and Snake rivers provide for "spill over" for the purpose of protecting fish that live in the Columbia and Snake rivers. According to the Joint Explanatory Statement, "Many conferees have grave concerns about judicial interference in the operation of the hydroelectric dams on the Columbia and Snake Rivers." Additionally, it notes, "Spilling at this increased level can threaten the reliability of the federal power and transmission systems and result in impacts to transportation and barging systems, flood control capabilities, and irrigation systems. Additionally, some scientific studies warn that increased gas levels stemming from the spill ordered by the decision could in fact harm the very fish species the Biological Opinion was developed to protect."

Dam Removal: According to the Joint Explanatory Statement, no specific funds for unauthorized federal dam removal are included for any agency funded in the Conference Report.

Army Corps of Engineers Consolidation: Conservatives may be concerned that the Conference Report would provide no funding to implement the <u>President's proposal</u> to move the Army Corps' of Engineer's Civil Works program out of the Corps with navigation going to the Transportation Department for infrastructure grants and all other accounts going to the Interior Department. The proposal was made as part of a package of agency reforms and reorganization recommendations titled "<u>Delivering Government Solutions in the 21st Century</u>", many of which have been applauded by conservatives.

Overall Spending

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 House Level | FY19 Conference | FY19 Conf vs FY19 House | FY19 Conf vs FY18 Enacted | FY19 Conf vs President |
|-----------------|------------------------------|------------------------|--------------------|-------------------------------|---------------------------------|---------------------------|
| 43,200 | 36,526 | 44,700 | 44,640 | -60 | +1,440 | +8,114 |

The FY 2019 Energy And Water Appropriations Act provides a total of \$44.64 billion, a level that is \$1.44 billion above the FY 2018 enacted level, \$60 million below the House bill, and \$8.114 billion above the requested level.

Within this total, \$22.44 billion is for defense purposes (\$548 million above the President's request) and \$22.2 billion for non-defense purposes (\$7.565 billion above the President's request).

Title I: Corps of Engineers - Civil

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 House Level | FY19 Conference | FY19 Conf vs FY19 House | FY19 Conf vs FY18 Enacted | FY19 Conf vs President |
|-----------------|------------------------------|------------------------|--------------------|-------------------------------|---------------------------------|---------------------------|
| 6,827,000 | 4,784,583 | 7,278,000 | 6,998,500 | - 279,500 | + 171,500 | + 2,213,917 |

The Army Corps of Engineers would be appropriated \$6.999 billion, a level that is \$2.214 billion above the president's budget request, \$279.5 million below the House level, and \$171.5 million above the FY 2018 enacted level.

Harbor Maintenance Trust Fund (HMTF): The House bill would have provided an estimated \$1.6 billion for HMTF-reimbursable activities. The Senate bill would have provided \$1.528 billion, and the President's Budget requested \$965 million. The spending target established in WRRDA for FY 2019 is \$1,442,000,000.

The Conference Report does not specify a specific dollar amount for HMTF-reimbursable activities. These activities are spread across a number of Corps accounts, namely the Construction, Operation & Maintenance, and Mississippi River & Tributary accounts.

The HMTF receives revenue from taxes on waterborne cargo and on cruise ship passengers.

New Starts: The Conference Report provides funding for six new study starts and five new construction starts.

Additional Funding for Ongoing Work: The Conference Report provides additional funding for authorized projects not specifically included in the president's budget request in the accounts that fund ongoing Corps work.

The administration is given authority to allocate these funds to a project if: (1) it has received funding, other than through a reprogramming, in at least one of the previous three fiscal years; (2) it was previously funded and could reach a significant milestone or produce significant outputs in FY 2019; or, (3) it is selected as one of the new starts allowed by the bill. The Corps is required to submit a work plan within 60 days of enactment. These allocations allow the Congress to fund projects in addition to just those included in the president's budget, while staying compliant with the earmark ban, because the Conference Report does not specify which projects should be supported with these funds.

Investigations: The Investigations Account is appropriated \$125 million, a level that is \$43 million above the president's budget request, \$4.2 million below the House level, and \$2 million above the FY 2018 enacted level. This account funds studies to determine the need for and feasibility of Corps projects as well as preconstruction engineering and design. The specific projects that are funded can be found here in the Joint Explanatory Statement.

Construction: The Construction Account is appropriated \$2.183 billion, a level that is \$1.31 billion above the president's budget request, \$140 million below the House level, and \$98 million above the FY 2018 enacted level. This account funds the construction and major rehabilitation of water infrastructure projects. The specific projects that are funded can be found here in the Joint Explanatory Statement.

It should be noted however that, as noted in both the <u>House</u> and <u>Senate</u> Committee Reports, "The fiscal year 2019 budget request for the Corps proposed numerous structural changes, including creation of two new accounts—Harbor Maintenance Trust Fund and Inland Waterways Trust Fund—and the shifting of various studies and projects between accounts. The Committee rejects all such proposed changes and instead recommends funding for the requested studies and projects in the accounts in which funding has traditionally been provided." These activities are spread across a number of Corps accounts, namely the Construction, Operation & Maintenance, and Mississippi River & Tributary accounts. This approach was rejected in the Joint Explanatory Statement.

Mississippi River and Tributaries: The Mississippi River and Tributaries Account is appropriated \$368 million, a level that is \$123 million above the president's budget request, \$62 million below the House level, and \$57 million below the FY 2018 enacted level. This account funds planning, construction, and operations and maintenance of flood control projects in the lower Mississippi River Valley. The specific projects that are funded can be found in the <u>Joint Explanatory Statement</u>.

Operation and Maintenance: The Operation and Maintenance Account is appropriated \$3.739 billion, a level that is \$1.663 billion above the president's budget request, \$81.5 million below the House level, and \$110 million above the FY 2018 enacted level. This account funds activities such as dredging, repair, aquatic plant control, monitoring of completed projects, removal of sunken vessels, and the collection of waterborne commerce statistics. The specific projects that are funded can be found in the <u>Joint Explanatory Statement</u>.

Regulatory Program: The Regulatory Program account is appropriated \$200 million, a level that is equal to the president's budget request, the House level, and the FY 2018 enacted level. This account funds the administration of laws that regulate activities affecting U.S. Waters.

Title II: Department of the Interior

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 House Level | FY19 Conference | vs FY19 House | | FY19 Conf vs FY18 Enacted | FY19 Conf vs President |
|-----------------|------------------------------|------------------------|--------------------|------------------|-----------|---------------------------------|---------------------------|
| \$1,480,000 | \$1,057,000 | \$1,555,000 | \$1,565,000 | | +\$10,000 | +\$85,000 | + \$508,000 |

The agencies within the Department of the Interior funded by the Conference Report are appropriated \$1.565 billion, a level that is \$508 million above the president's budget request, \$10 million above the House level, and \$85 million above the FY 2018 enacted level.

Bureau of Reclamation: The Bureau of Reclamation is appropriated \$1.555 billion, a level that is \$501 million above the president's budget request, \$10 million above the House level, and \$80.5 million above the FY 2018 enacted level. The Bureau of Reclamation is charged with managing water resources in 17 western states. The specific projects that are funded can be found in the <u>Joint Explanatory Statement</u>.

Title III: Department of Energy

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 House Level | FY19 Conference | FY19 Conf vs FY19 House | FY19 Conf vs FY18 Enacted | FY19 Conf vs President |
|-----------------|------------------------------|------------------------|--------------------|-------------------------------|---------------------------------|---------------------------|
| 34,520,049 | 30,146,071 | 35,494,251 | 35,685,317 | +191,066 | +1,165,268 | +5,539,246 |

The Department of Energy (DOE) would be appropriated \$35.685 billion, a level that is \$5.539 billion above the president's budget request, \$191 million above the House level, and \$1.165 billion above the FY 2018 enacted level.

Yucca Mountain: Under the Nuclear Waste Policy Act of 1982, the federal government has a legal responsibility to assume responsibility for spent civilian nuclear fuel. In 2013, the D.C. Circuit Court of Appeals ruled that the Obama administration's refusal to complete the Yucca project was in contravention of the Nuclear Waste Policy Act.

The Conference Report would *not* provide funding for development of a nuclear repository at Yucca Mountain. The House bill would have provided \$268 million (\$100 million over the President's request) for restarting the adjudication of the Yucca Mountain license application. The House bill also would have prohibited any funds to be used to close Yucca Mountain.

Energy Programs: The Conference Report would provide \$13.472 billion for energy programs within the Department of Energy. This level is \$554 million above the FY 2018 enacted level, \$51 million above the House level, and \$5 billion above the president's budget request.

Energy Efficiency and Renewable Energy (EERE): EERE is appropriated \$2.379 billion, a level that is \$1.683 billion above the president's budget request, \$297 million above the House level, and \$57 million above the FY 2018 enacted level. This program subsidizes "green energy" projects, research, and development.

The <u>RSC Budget</u> proposes eliminating entire this account and all programs within it, stating: "This program subsidizes research and development in the fields of energy efficiency and renewable energy technologies. Some of the programs within EERE include solar, wind, vehicle technologies, bioenergy technologies, advanced manufacturing, building technologies, and weatherization assistance. Not only does this allow the federal government to pick winners and losers, but also it limits research to a small sector of the energy economy—renewables. The U.S. should pursue a market-based, all-of-the above energy policy."

Electricity Delivery and Energy Reliability program: For FY 2019, the President's budget request proposed to split the Electricity Delivery and Energy Reliability program into two new accounts: "Cybersecurity, Energy Security, and Emergency Response" and "Electricity Delivery". The Conference Report implements this new account structure. The "Cybersecurity, Energy Security, and Emergency Response" account includes the subprograms "Cybersecurity for Energy Delivery Systems" and "Infrastructure Security and Energy Restoration". The "Electricity Delivery" account contains all other subprograms that were previously funded as part of the Electricity Delivery and Energy Reliability program.

The <u>RSC Budget</u> proposed eliminating these accounts, stating: "Many of these activities would be more appropriately handled by the private sector or other agencies, such as the Federal Energy Regulatory Commission (FERC)."

Cybersecurity, Energy Security, and Emergency Response: This account is appropriated \$120 million, a level that is \$24.2 million above the president's budget request and \$27 million above the House level. Because this is a new account, the amount by which it exceeds FY 2018 enacted levels is not applicable.

Electricity Delivery: Electricity Delivery and Energy Reliability is appropriated \$156 million, a level that is \$94.7 million above the president's budget request and \$20 million below the House level. Because this is a new account, the amount by which it exceeds FY 2018 enacted levels is not applicable.

Nuclear Energy: The Nuclear Energy program is appropriated \$1.326 billion, a level that is \$737 million above the president's budget request, \$20 million less than the House level, and \$121 million above the FY 2018 enacted level. This program conducts research to develop new nuclear reactors. Within this account, the Conference Report would appropriate \$349 million for <u>Idaho National Laboratory</u> Operations and Infrastructure and \$10 million to construct a protective forces building at its <u>ATR complex</u>.

The <u>RSC Budget</u> proposes eliminating this entire account, stating: "It is inappropriate for the federal government to conduct research that would otherwise be carried out by private industry."

Fossil Energy Research and Development: Fossil Energy Research and Development is appropriated \$740 million, a level that is \$228 million above the president's budget request, \$45 million below the House level, and \$13 million above the FY 2018 enacted level. This program conducts research on fossil fuels, such as coal, oil, and natural gas.

The <u>RSC Budget</u> proposes eliminating this account, stating: "Just as this budget calls for the elimination of renewable and nuclear energy subsidies, it also calls for the elimination of subsidies for conventional energy sources. Funding under the Fossil Energy program goes to research and development of technology to reduce the carbon emissions of coal power plants. Instead of government-directed subsidies, the U.S. should pursue a market-oriented "all of the above" energy strategy."

Strategic Petroleum Reserve (SPR): The SPR is provided \$235 million, a level that is \$60 million above the president's budget request, and \$17 million below the FY 2018 enacted level.

Strategic Petroleum Reserve Sale: The Conference Report requires the Secretary of Energy to draw down and sell up to \$300 million of crude oil from the SPR in FY 2019. This draw down and sale is in addition to the required sales pursuant to the <u>Bipartisan Budget Act of 2015</u>, the <u>21st Century Cures Act</u>, the <u>Bipartisan Budget Act of 2018</u> and the America's Water Infrastructure Act of 2018 (S. 3021, the WRDA bill being considered on September 13, 2018). The Conference Report further provides that the proceeds from this sale shall be made available for the costs of expenses associated with carrying out the Lifetime Extension II project, and shall remain available until expended.

SPR Petroleum Account: The Conference Report would also appropriate \$10 million for costs associated with drawdowns directed by the <u>Bipartisan Budget Act of 2015</u> and the <u>21st Century Cures Act</u>.

Uranium Enrichment Decontamination and Decommissioning Fund: The fund is appropriated \$841 million, a level that is \$88 million above the president's budget request, \$39 million above the House level, and \$1 million above the FY 2018 enacted level. This Fund is meant to pay for cleanup activities at plants in Portsmouth, Ohio; Paducah, Kentucky; and the East Tennessee Technology Park in Oak Ridge, Tennessee.

DOE Office of Science: The DOE Office of Science is appropriated \$6.6 billion, a level that is \$1.2 billion above the president's budget request and \$340 million above the FY 2018 enacted level. The Office of Science funds physics, biology, and chemistry science research at national laboratories and universities "in support of American innovation," according to the Committee Report. The Report notes that, "Science program office includes Advanced Scientific Computing Research, Basic Energy Sciences, Biological and Environmental Research, Fusion Energy Sciences, High Energy Physics, Nuclear Physics, Workforce Development for Teachers and Scientists, Science Laboratories Infrastructure, Safeguards and Security, and Program Direction. The Committee has placed a high priority on funding these activities in fiscal year 2019, *given the private sector is not likely to fund research whose findings either have high non-commercial value* or are not likely to be commercialized in the near or medium term." (emphasis added).

Advanced Scientific Computing Research: According to the Committee Report, as part of its funding for Advanced Scientific Computing Research program, the Conference Report would provide \$232 million for the Exascale Computing Project, created as part of an Obama era executive order. It would also provide \$140 million for the Argonne Leadership Computing Facility, \$200 million for the Oak Ridge Leadership Computing Facility, and \$105 million for the National Energy Research Scientific Computing Center at Lawrence Berkeley National Laboratory. Within available funds, the recommendation includes \$10 million for the Computational Science Graduate Fellowship program and \$80 million to support necessary infrastructure upgrades and operations for ESnet. The Conference Report would provide \$13 million for artificial intelligence research.

Conservatives may be concerned that most, if not all, of the activities funded as part of this program are more appropriate activities for the private sector to undertake.

Advanced Research Projects Agency - Energy (ARPA-E): The Conference Report would provide \$366 million for the ARPA-E program. This is \$12.7 million more than the FY 2018 enacted level. The President's budget would eliminate the program.

The <u>RSC Budget</u> would eliminate the program, stating "The Advanced Research Projects Agency – Energy (ARPA-E) is agency was started by the failed 2009 stimulus law and is meant to fund high-risk green energy projects. Taxpayers should not bear the burden for research projects that not even the most speculative and daring members of the energy industry will take on for themselves. The president has proposed to eliminate this program "because the private sector is better positioned to finance disruptive energy research."

Title 17 Innovative Technology Loan Guarantee Program Administrative Expenses: The Conference Report appropriates \$33 million for administrative expenses for the Title 17 program, allows for \$15 million in offsetting collections, and rescinds none of prior-year balances (the President's budget requested a \$240 million rescission), for a net appropriation of \$18 million.

The <u>RSC Budget</u> proposes eliminating this account, stating: "This is the program that gave us the Solyndra scandal, with taxpayers losing more than \$500 million after the Obama administration gambled on a politically favored company."

In May 2018, the <u>President proposed</u> to rescind \$684 million from this program in prior-year balances.

Advanced Technology Vehicles Manufacturing Loan Program: The Advanced Technology Vehicles Manufacturing Loan Program is appropriated \$5 million for administrative expenses, a level that is \$4 million above the president's budget request and the same as the FY 2018 enacted level. This program provides guaranteed loans to automotive companies to support the development of "greener" cars.

The <u>RSC Budget</u> proposes eliminating this account, stating: "This program has provided billions of taxpayer dollars to some of the largest car companies in the world, such as Ford and Nissan, to help increase the fuel efficiency of the vehicles they sell – a feature that should be driven by demand from consumers, not government subsidies."

In May 2018, the <u>President proposed</u> to rescind \$4.3 billion from this program in prior-year balances.

National Nuclear Security Administration (NNSA): The NNSA is appropriated a total of \$15.228 billion, a level that is \$138 million above the president's budget request, \$84,529 less than the House, and \$559 million above the FY 2018 enacted level. The NNSA is a semi-autonomous agency within the U.S. Department of Energy that is charged with sustaining our nuclear weapons, maintaining naval nuclear reactors, and promoting nonproliferation efforts.

Weapons Activities: Within the NNSA, the Weapons Activities account is appropriated \$11.1 billion, a level that is \$93 million above the president's budget request, \$124 million below the House level, and \$458 million above the FY 2018 enacted level. This account provides for the security, safety, and reliability of the U.S. nuclear weapons stockpile, including life extension programs – without nuclear testing - for current warheads.

Defense Nuclear Nonproliferation: Within the NNSA, Defense Nuclear Nonproliferation is appropriated \$1.949 billion, a level that is \$86 million above the president's budget request, \$47 million above the House level, and \$99 million below the FY 2018 enacted level. This account supports efforts to prevent the spread of nuclear weapons. The Conference Agreement also would rescind \$19 million from unexpended prior-year balances.

MOX: The Conference Report includes \$220 million for the construction of the Mixed Oxide (MOX) Fuel Fabrication Facility project.

The Conference Agreement does *not* contain language from the House bill to allow the Secretary of Energy to terminate the project only if requirements in Section 3121(b) of the Fiscal Year 2018 National Defense Authorization Act are satisfied, namely that the DOE identifies another disposal method that with less than half the life cycle cost.

Some conservatives have supported halting the Mixed Oxide (MOX) Fuel Fabrication Facility project believing that its <u>costs do not justify its existence</u>.

Naval Reactors: Within the NNSA, Naval Reactors is appropriated \$1.788 billion, a level that is the same as the president's budget request, the same as the House level, and \$169 million above the FY 2018 enacted level. This account supports the development, operations and maintenance, and disposal of nuclear propulsion systems for the Navy.

Defense Environmental Cleanup: The Defense Environmental Cleanup program is appropriated \$6.029 billion, a level that is \$398 million above the president's budget request, \$269 million above the House level, and \$40.5 million above to the FY 2018 enacted level. The Conference Report would also rescind \$4.6 million in unexpended prior-year balances from the Hexavalent Chromium Pump and Treatment Facility project

This program is responsible for the cleanup of contamination at sites where defense related nuclear research and production were carried out.

Power Marketing Administrations: The Conference Report provides a total net appropriation of \$100 million for the four power marketing administrations (Bonneville, Southeastern, Southwestern, and Western Area), a level that is equal to the president's budget request, the same as the House level, and \$5 million below the FY 2018 enacted level. These power marketing administrations produce and sell hydroelectric power. The Southwestern and Western Area power administrations receive appropriated subsidies, while the Bonneville and Southeastern power administrations utilize offsetting collections and do not receive a net appropriation.

The <u>RSC Budget</u> recommends transitioning these PMAs to the private sector, noting "Because power generation no longer needs to be carried out by the federal government, the TVA and the four remaining Power Marketing Administrations should be auctioned off to the private sector in a manner that ensures customers of the entities maintain service."

Federal Energy Regulatory Commission (FERC): FERC is funded at \$369.9 million, a level that is equal to the president's budget request, the same as the House level, and \$2.3 million above the FY 2018 enacted level. FERC revenues are established at a rate equal to funding, resulting in no net appropriation. FERC regulates the interstate commerce of energy, including electricity, natural gas, and oil.

Title IV: Independent Agencies

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 House Level | FY19 Conference | FY19 Conf vs FY19 House | FY19 Conf vs FY18 Enacted | FY19 Conf vs President |
|-----------------|------------------------------|------------------------|--------------------|-------------------------------|---------------------------------|---------------------------|
| 391,455 | 352,778 | 423,757 | 389,977 | -33,780 | -1,546 | +37,199 |

The Independent Agencies funded by the Conference Report are appropriated \$390 million, a level that is \$37 million above the president's budget request, \$34 million below the House level, and \$1.5 million below the FY 2018 enacted level.

Regional Commissions: The Conference Report would provide a net total of \$225 million in appropriations to five regional commissions, a level that is \$124 million above the president's budget request and \$41 million below the FY 2017 enacted level.

The president's budget recommended shutting down the commissions, and the only funds requested were for shut down costs.

The <u>RSC Budget</u> proposes eliminating these commissions, stating: "These economic development programs are duplicative of other programs and spend federal funding for local projects. Not only is the federal government out of money, but also it is ill-equipped to adequately prioritize local infrastructure and development projects."

A table showing the funding levels for the five regional commissions is below:

| (Dollar figures in thousands) | FY19 Conference Report | Vs. FY18 Enacted | Vs. President Request | Vs. FY19 House Level |
|--|------------------------------|---------------------|--------------------------|-------------------------|
| Appalachian Regional Commission (ARC) | 165,000 | Same | + 3,000 | + 10,000 |
| Delta Regional Authority (DRA) | 25,000 | -10,000 | +12,500 | + 10,000 |
| Denali Commission | 15,000 | -15,000 | +7,700 | Same |
| Northern Border Regional Commission (NBRC) | 20,000 | -3,000 | +11,150 | + 8,000 |
| Southeast Crescent Regional Commission | 250 | Same | + 250 | Same |

Nuclear Regulatory Commission (NRC): The NRC receives a net appropriation of \$130 million, a level that is \$25 million below the president's budget request, \$62 billion below the House level, and \$1.5 million below the FY 2018 enacted level. Total appropriations are partially offset by \$781 million in revenues. The Conference Report would *not*, like the House bill, directs \$47.7 million to continue adjudication of the Yucca Mountain license application.

NOTABLE POLICY PROVISIONS:

TITLE I

Fill Material Regulations: The Conference Report would prohibit the Army Corps of Engineers from requiring a permit for the discharge of dredged or fill material under the Clean Water Act (CWA) for agricultural activities under <u>Section 404</u> of the CWA.

Navigable Waters (WOTUS): Many conservatives may be concerned that unlike the House bill, the Conference Report would *not* repeal the Army Corps of Engineers and the Environmental Protection Agency (EPA) rule changing the definition of "navigable waters" under the Clean Water Act. The House bill would have further provided that until such time as the EPA and Corps issue a new rule, and such rules goes into effect, any regulation or policy affected by the repealed rule shall be applied as if that repealed rule had not been issued.

In 2014, the EPA and the Corps proposed regulations that would reverse the long-standing definition of what waters would be regulated by the Clean Water Act. These regulations would place significant permitting and regulatory costs on many property owners.

Firearms on Army Corps Property: Conservatives may be concerned that unlike the House bill, the Conference Report would not permanently prohibit the Army Corps from adopting or enforcing any regulations that ban individuals from possessing a firearm at a Corps project so long as the individual is not otherwise prohibited from possessing a firearm and the possession is in compliance with the law of the State in which the project is located. In 2009, legislation was enacted that allowed the possession of firearms on property controlled by the National Park Service and National Wildlife Refuge System.

New Hopper Dredge: The Conference Report would prohibit purchase of a new hopper dredge.

Army Corps Reorganization: Conservatives may be concerned that the Conference Report would prohibit the use of funds to reorganize or transfer the Civil Works functions or authority of the Corps or Army Secretary to another department or agency.

Emergency Reprogramming: Some conservatives may be concerned that the Conference Report would grant the Army Corps broad authority to reprogram funding within its Operations and Maintenance account to respond to emergencies.

TITLE II

Snake, Boise, and Payette River Systems, Idaho: The Conference Report would extend the authorization for conducting feasibility studies on projects that address water shortages within the Snake, Boise, and Payette River Systems in Idaho for an additional ten years.

California Drought Supplementing: The Conference Report would prohibit the use of funds to purchase water to supplement the instream flow of a river in California within a river basin that has had a drought within the last two years.

Colorado River Pilot Projects: The Conference Report would reauthorize for through 2022 pilot projects to increase Colorado River System water in Lake Mead and the initial units of Colorado River Storage Project reservoirs.

Water Management Improvement Grants and Cooperative Agreements: The Conference Report would increase their authorization by \$30 million.

Fort Peck Reservation Rural Water System: The Conference Report would extend the authorization of certain funding within the Fort Peck Reservation Rural Water System by six years.

TITLE III

Prohibition on Assistance to Russia: The Conference Report includes a provision that would prohibit the use of nonproliferation funds to enter into new contracts with, or new agreements for Federal assistance to, the Russian Federation.

Strategic Petroleum Reserve Sale: The Conference Report would authorize the Secretary of Energy to draw down and sell an open-ended amount of refined petroleum from the SPR in FY 2019 so long as the President determines that "a regional supply shortage of refined petroleum product of significant scope and duration exists, that a severe increase in the price of refined petroleum product will likely result from such shortage, and that a draw down and sale of refined petroleum product would assist directly and significantly in reducing the adverse impact of such shortage." This draw down and sale is in addition to the required sales pursuant to the Bipartisan Budget Act of 2015, the 21st Century Cures Act, and the Bipartisan Budget Act of 2018, and the \$235 million draw down authorized above. Funds would be placed in the SPR Petroleum account.

Mixed Oxide (MOX) Fuel Fabrication Facility: The Conference Report does not contain a provision contained in the House bill that would have prohibited use of project funds for anything other than construction and project support activities, and thus, funds could not be used to wind down the MOX project. The House bill, however, would have allowed the DOE to waive this limitation if DOE were to submit the commitment and certification contained in Section 3121(b) of the FY 2018 NDAA, namely that the cost of the replacement would be half as much.

Yucca Mountain: Unlike the House bill, the Conference Report does not require DOE to submit a report to Congress on the potential of locating a reprocessing or recycling facility for spent nuclear fuel near the Yucca Mountain site.

TITLE V

National Ocean Policy: Unlike the House bill, the Conference Report does not prohibit any funds to be used to implement the <u>National Ocean Policy</u> under Executive Order 13547.

Federal Columbia River Power System hydroelectric dams: Unlike the House bill, the Conference Report would not bar use of funds to operate the Federal Columbia River Power System hydroelectric dams in a manner that is inconsistent with the Army Corps of Engineers' 2017 Fish Operations Plan.

Analysis of Tax Policy: The FY 2018 <u>Committee Report</u> directed the Department of Energy to prepare an analysis for the Appropriations Committees "evaluating the effects of a Zero Emissions Energy Credit that replaces existing renewable energy subsidies ... with a graduated tax credit." The FY 2019 House Committee Report states that the Committee "expects a timely delivery of the report."

Iran Heavy Water: The Conference Report does *not* contain an amendment adopted by the House to prohibit the purchase of heavy water from Iran.

Converted Cropland: The Conference Report does *not* contain an amendment adopted by the House to prohibit the use of funds for enforcing the EPA's abandonment criteria described in provision G of provision V of the rule published in the Federal Register at 58 Fed. Reg. 45008 for prior converted cropland.

Social Cost of Carbon: The Conference Report does *not* contain an amendment adopted by the House to prohibit the use of funds to prepare, propose or promulgate guidance or regulations pertaining to the social cost of carbon.

<u>Unauthorized Appropriations</u>: The Conference Report includes tens of billions of dollars in appropriations for dozens of non-defense programs that are not authorized by law. This is in violation of <u>clause 2(a)(1) of rule XXI of the Rules of the House</u>.

Division B: Legislative Branch Appropriations Act, 2019

The House Committee Report for the FY 2019 Legislative Branch Appropriations Act can be found here. The Senate Committee Report for the FY 2019 Legislative Branch Appropriations Act can be found here. The section of the Joint Explanatory Statement addressing Legislative Branch Appropriations can be found here.

In keeping with tradition that allows each chamber to allocate its own funding priorities, each chamber's preconference bill and report excludes items pertaining exclusively to the other chamber. The Conference Report includes appropriations for each.

Overall Spending

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 Conf vs FY18 Enacted | FY19 Conf vs President |
|-----------------|------------------------------|--------------------|---------------------------------|---------------------------|
| | | | | |

The FY 2019 Legislative Branch Appropriations Act provides a total of \$4.836 billion, a level that is \$136 million above the FY 2018 enacted level and \$139 million below the requested level.

Senate

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 Conf vs FY18 Enacted | FY19 Conf vs President |
|-----------------|------------------------------|--------------------|---------------------------------|---------------------------|
| 919,932 | 990,097 | 934,841 | +14.909 | -55,256 |

The Conference Report would provide \$935 million for the Senate, a level \$55 million below the president's budget request and \$15 million above the FY 2018 enacted level.

Senators' Official Personnel and Office Expenses: The Conference Report would provide \$429 million for Senators' Official Personnel and Office Expenses, a level \$45.5 million below the president's budget request and \$5 million above the FY 2018 enacted level. This account funds salaries and benefits of Senators' staffs as well as the office expense allowance for Senators' offices.

The House Committee Report instructs the GAO to undertake a study on House personal and committee office salaries to see differences with the private sector, and look for disparities between genders and races. The Joint Explanatory Statement directs a similar study in the Senate.

Senate Officers, and Employees: The Conference Report would provide \$208 million for the Senate Officers and Employees, a level \$5 million below the president's budget request and \$13 million above the FY 2018 enacted level.

Expense Allowances and Representation: The Conference Report would provide \$220 million for Senate Expense allowances and representation, a level equal to the president's budget request and the FY 2018 enacted level.

Senate Intern Compensation: The Conference Report would allocate \$5 million for Senate interns.

John McCain's Widow: The Conference Report provides \$174,000 to John McCain's widow, in keeping with Senate tradition. To read more on this, click <u>here</u>. His wife is <u>reportedly</u> worth \$200 million.

House of Representatives

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 Conf vs FY18 Enacted | FY19 Conf vs President |
|-----------------|------------------------------|--------------------|---------------------------------|---------------------------|
| 1,199,999 | 1,256,971 | 1,232,663 | +32,664 | -24,308 |

The Conference Report would provide \$1.232 billion for the House of Representatives, a level \$24 million below the president's budget request and \$33 million above the FY 2018 enacted level.

House Leadership Offices: The Conference Report would provide \$25.4 million for the House Leadership Offices, a level that is \$3.1 million above the president's budget request and the FY 2018 enacted level.

Members Representational Allowances (MRAs): The Conference Report would provide \$574 million for the House MRAs, a level the same as the president's budget request and \$11 million above the FY 2018 enacted level.

The Committee Report would instruct the GAO to undertake a study on House personal and committee office salaries to see differences with the private sector, and look for disparities between genders and races.

House Committees: The Conference Report would provide \$151 million for the House MRAs, a level \$1 million above the president's budget request and \$736 thousand above the FY 2018 enacted level.

House Officers and Employees: The Conference Report would provide \$220 million for the House Officers and Employees, a level \$3 million below the president's budget request and \$16 million above the FY 2018 enacted level. This account provides funding for salaries for the Office of the Clerk, Office of the Sergeant at Arms, Office of the Chief Administrative Officer, Office of the Parliamentarian, Office of the Legislative Counsel, and other employees of the House.

Allowances and Expenses: The Conference Report would provide \$253 million for the House Allowances and Expenses, a level \$35 million below the president's budget request and \$7 million below the FY 2018 enacted level. This account provides for supplies, administrative expenses, employee benefits, and costs of official mail for House Committees, leadership, and administrative offices.

House Intern Compensation: The Conference Report would allocate \$8.8 million for House interns.

Joint Items

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 Conference vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--|----------------------|
| 20,654 | 20,656 | 20,656 | + 2 | 0 |

The Conference Report would provide \$21 million for the Joint House and Senate Items, a level the same as the president's budget request and \$2 million above the FY 2018 enacted level. This includes funding for the Joint Committee on Taxation, the Joint Economic Committee, and the Office of the Attending Physician.

Capitol Police

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 426,500 | 456,358 | 456,308 | + 29,808 | -50 |

The Conference Report would provide \$456 million for the Capitol Police, a level nearly the same as the president's budget request and \$30 million above the FY 2018 enacted level.

Congressional Budget Office (CBO)

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 49,945 | 50,737 | 50,737 | + 792 | 0 |

The Conference Report would provide \$51 million for the CBO, a level the same as the president's budget request and \$1 million above to the FY 2018 enacted level.

Architect of the Capitol (AOC)

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 712,105 | 768,424 | 733,745 | + 21,640 | -34,679 |

The Conference Report would provide \$733 million for the AOC, a level \$35 million below the president's budget request and \$21 million above the FY 2018 enacted level.

Library of Congress (LOC)

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 669,890 | 672,655 | 696,112 | +26,222 | +23,457 |

The Conference Report would provide \$696 million for the LOC, a level \$23 million above the president's budget request and \$26 million above the FY 2018 enacted level.



Government Publishing Office (GPO)

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 117,068 | 117,000 | 117,000 | - 68 | 0 |

The Conference Report would provide \$117 million for the GPO, a level equal to the president's budget request and \$68 thousand below the FY 2018 enacted level.

Government Accountability Office (GAO)

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 578,917 | 616,101 | 589,750 | +10,833 | -26,351 |

The Conference Report would provide \$589 million for the GAO, a level \$26 million below the president's budget request and \$11 million above the FY 2018 enacted level. The GAO also has the ability to spend \$36 million in offsetting collections. The GAO works for Congress by providing oversight and investigations of federal programs.

Open World Leadership Center

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| | 1 | | | |

The Conference Report would provide \$5.6 million for the Open World Leadership Center, a level \$200,000 below the president's budget request and equal to the FY 2018 enacted level.

The <u>Open World Leadership Center</u> is a legislative branch program meant to promote democracy in Russia and other Eurasian countries. The Conference Report would bar use of funds for Russian government officials. Previous Legislative Branch appropriations bills have called for eliminating this duplicative agency. The <u>RSC budget</u> proposes to eliminate it.

John C. Stennis Center for Public Service Training and Development

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 430 | 430 | 430 | 0 | 0 |

The Conference Report would provide \$430,000 for the Stennis Center, a level equal to the president's budget request and equal to the FY 2018 enacted level.

The <u>Stennis Center</u> is a legislative branch program meant to "attract young people to careers in public service." <u>Senator Stennis</u> (D-MS) served from 1947 until 1989. The Conference Report would provide

\$430,000 for the Center, despite the fact that it has access to other sources of funding. The center was created by Congress in 1988 with an initial funding of \$7.5 million in Special Issue Treasury securities and the center has the ability to draw funding from the interest on these securities.

NOTABLE POLICY PROVISIONS:

Plastic Straws: The Conference Report would direct that agencies and offices that contract with food service providers seek to limit the use of plastic drinking straws.

Fund Sharing Between Leadership Offices: The Conference Report would allow leadership offices to share funding between them.

Former Speaker Allowances: The Conference Report would repeal the <u>allowances available to former Speakers of the House.</u>

Members Pay Increases: The Conference Report would prohibit a cost of living increase for House and Senate members during FY 2019.

Unspent House MRAs and Senate Official Personnel and Office Expense Account funds: The Conference Report would provide that unspent funds be used for deficit reduction.

Care for Private Cars: The Conference Report would prohibit use of funds for care and maintenance of private cars, except in emergency situations and cleaning.

Limitation on Leased Vehicles: In the House, the Conference Report would limit spending on leased vehicles using MRA funds to no more than \$1,000 per month.

Prohibiting Delivery of Certain Printed Items: In the House, the Conference Report would prohibit funds for the delivery of printed copies of bills, resolutions, the Congressional Record, the Statements of Disbursements, the Daily Calendar, and the Congressional Pictorial Directory.

Limitation of Print Copies of the U.S. Code: The Conference Report would limit the total number of printed copies of the U.S. Code to no more than 50 copies for the House of Representatives.

Prohibition on Bonus to Contractors Behind Schedule or Over Budget: The Conference Report would prohibit the payment of bonuses to contractors that are behind schedule or over budget.

Prohibition on Scrims: The Conference Report would prohibit funds for scrims (cloth building facade showing a picture of the building during construction).

Staff-Led Tours: The Conference Report would prohibit funds from being used to eliminate or restrict staff and intern-led tours of the Capitol, other than temporary suspensions by order of the Capitol Police Board.

Division C: Military Construction, Veterans Affairs, And Related Agencies Appropriations Act, 2019

The House Committee Report for the FY 2019 Military Construction and Veterans Affairs Appropriations Act can be found here.

The Senate Committee Report for the FY 2019 Legislative Branch Appropriations Act can be found here.

The Senate Committee Report for the FY 2019 Legislative Branch Appropriations Act can be found here.

Overall Spending

Net Total Discretionary in Millions of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|-----------------------|----------------------|
| 92,741 | 96,789 | 98,057 | + 5,316 | + 1,268 |

The FY 2019 Military Construction and Veterans Affairs Appropriations Act provides a net total of \$97.136 billion in net base discretionary budget authority, a level that is \$5.3 billion above the FY 2018 enacted level and \$1.27 billion above the President's requested level. Within this total, \$10.3 billion is designated for base defense and \$86.8 billion is non-defense.

This amount includes \$921 million in cap-exempt Overseas Contingency Operations (OCO) funding.

\$70.699 billion in FY 2019 funds for veterans' health benefits have been appropriated in advance by previously enacted legislation. This Conference Report contains \$75.55 billion in advance appropriations for veterans' health benefits for FY 2020.

The Conference Report would also provide \$109.12 billion in mandatory spending for veterans' benefit programs.

Title I: Military Construction:

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 10,091,000 | 10,462,617 | 10,332,000 | + 241,000 | - 130,617 |

The Conference Report would provide \$10.332 billion for military construction, a level \$130 million below the president's budget request and \$241 million above the FY 2018 enacted level. This account provides for a variety of both domestic and foreign construction projects, including family housing. A table showing the breakdown of construction funding by Service Branch can be found here. A list of construction projects by state and the by country can be found here.

Title II: Department of Veterans Affairs:

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 81,475,300 | 85,349,000 | 86,486,500 | +5,011,200 | +1,137,500 |

The Conference Report would provide \$86.486 billion in net total discretionary funding for the Department of Veterans Affairs, a level is \$5.01 billion above the FY 2018 enacted level and \$1.137 billion above the president's budget request.

VA Claims Backlog: According to the <u>most recent report</u> from the VA, 369,892 veterans' claims remain pending with the VA. To address this problem, the Conference Report would provide \$2.956 billion for General Operating Expenses for the Veterans Benefits Administration account, an amount \$46 million above the FY 2018 enacted level and \$87.4 million above the president's budget request.

Advance Appropriations for Veterans Health Administration: The Fiscal Year 2018 Military Construction and Veterans Affairs Appropriations bill provided \$70.699 billion in advance appropriations FY 2019 funds for veterans' health benefits.

The Conference Report contains \$75.55 billion in advance appropriations for veterans' health benefits for FY 2020, an amount equal to the president's budget request.

The Conference Report includes \$3.59 billion in additional FY 2019 funding derived from offsetting collections from the Medical Care Collections Fund, the same as the president's request.

Mental Health: The Conference Report would provide \$8.618 billion for VA mental health programs and includes \$206 million for suicide prevention outreach, an amount \$16 million above the president's budget request.

Homeless Assistance: The Conference Report would provide \$1.818 billion for VA homeless assistance programs.

Opioids: The Conference Report includes \$348 million for opioid addiction prevention and recovery, of which \$52 million is provided for activities authorized by the Comprehensive Addiction and Recovery Act of 2016 (CARA).

Medical and Prosthetic Research: The Conference Report includes \$779 million for medical and prosthetic research, a level that is \$56.738 million above the FY 2018 enacted level and \$51.631 million above the president's budget request.

Medical Community Care: The FY 2018 Military Construction and Veterans Affairs Appropriations bill provided \$8.4 billion in advance appropriations FY 2019 fund for medical community care. The current Conference Report would provide \$10.758 billion in advance appropriations for FY 2020 (of which \$2 billion would be available through FY 2021), an amount that is \$3.661 billion below the president's request.

The Conference Report would also provide \$1 billion in additional funding for FY 2019, \$500 million than requested by the Trump administration in its April 13, 2018 budget amendment.

VA Choice Program & VA MISSION Act: The <u>VA MISSION Act</u> establishes a permanent community care program for veterans which would be funded by discretionary appropriations subjected to the spending caps rather than through mandatory spending (as the VA Choice Act was). To that end, the Joint Explanatory Statement says, "As a result of the MISSION Act, the conferees note that as early as May 2019 the Choice program, currently funded with direct spending, will be streamlined and consolidated with VA's traditional discretionary community care programs." According to the Senate Appropriations Committee, "Congress is committed to ensuring that veterans receive the health care they have earned and deserve under the VA MISSION Act. To that end, the Conference Report would provide \$1.25 billion more than requested for the VA Medical Services and Medical Community Care accounts. These funds will support the VA's traditional community care programs as well as the transition to the new and improved program." The House bill would have appropriated, via a <u>self-executing amendment</u>, \$1.138 billion in funding for the VA MISSION Act.

IT Systems: The Conference Report includes \$4.103 billion for the VA information technology systems, a level that is \$48 million above the FY 2018 enacted level and \$81 million below the president's budget request.

Electronic Health Records: The Conference Report would provide \$1.107 billion for the VA electronic health records system, a level that \$325 million more than the FY 2018 enacted level and \$100 million below the president's budget request. Of this sum, the bill would provide \$675 million for the contract that the VA has with the Cerner Corporation to transition the record system that is used by the Department of Defense.

VA Office of Inspector General: The Conference Report would provide \$192 million for the VA Office of Inspector General, \$28 million above the FY 2018 level and \$20 million above the president's budget request.

VA Construction: The Conference Report would provide \$1.127 billion for major VA construction projects, an amount equal the president's budget request and \$615 million above the FY 2018 enacted level.

Additionally, the Conference Report would provide \$649 million for minor VA construction projects, \$57 million below the president's budget request and \$306 million above the FY 2018 enacted level.

The Conference Report also appropriates an additional \$2 billion for a VA infrastructure initiative that will go toward infrastructure improvements including new construction.

Title III: Related Agencies:

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 Conference | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|--------------------|--------------------------|----------------------|
| 424,700 | 317,655 | 317,655 | - 103,145 | + 73,855 |

The Conference Report would provide a total of \$317.655 million for the other related agencies funded by the bill, including the American Battle Monuments Commission, the U.S. Court of Appeals for Veterans Claims, Army Commentarial Expenses, and the Armed Forces Retirement Home.

Title IV: Overseas Contingency Operations (OCO):

Net Total Discretionary in Thousands of Dollars

| FY18 Enacted | FY19 President Request | FY19 House Level | FY19 vs 18 Enacted | FY19 vs President |
|-----------------|------------------------------|------------------------|--------------------------|----------------------|
| 750,000 | 921,420 | 921,420 | + 171,420 | 0 |

The Conference Report would provide \$921 million for military construction projects using the OCO account. This is the same as the president's budget request and \$117 million more than the enacted FY 2018 level. OCO spending is exempted from the annual spending caps established by the Budget Control Act. A list of construction projects funded by Title IV can be found here.

NOTABLE POLICY PROVISIONS:

American Steel: The Conference Report includes a rider that prohibits the procurement of steel unless American producers have been allowed to compete.

Arlington National Cemetery: The Conference Report prohibits use of military construction funds from being used for planning and design and construction of projects at Arlington National Cemetery. Notwithstanding this prohibition, the bill would provide \$30 million, to remain available until expended, for completion of the Defense Access Roads project and land acquisition for Arlington National Cemetery.

Guantanamo Bay: The Conference Report includes a rider prohibiting the use of funds to close Guantanamo Bay. The bill includes language prohibiting the use of funds for the renovation, expansion, or construction of any facility in the continental United States for the purpose of housing any individual who has been detained at Guantanamo Bay. The House bill would have provided \$69 million for a new detention facility at Guantanamo Bay, but the Conference Report would not.

RED HORSE Squadrons: The Conference Report would prohibit use of funds to consolidate or relocate any element of a United States Air Force Rapid Engineer Deployable Heavy Operational Repair Squadron Engineer (RED HORSE) outside of the United States until the Air Force conducts a cost analysis and certifies the preferred site for the consolidation or relocation yields the greatest cost savings.

Diabetes Equipment Procurement: The Conference Report prohibits use of VA from being used to replace the current system by which the Veterans Integrated Service Networks select and contract for diabetes monitoring supplies and equipment.

Fertility Counseling & Adoption Expenses: The Conference Report would make medical services funding available for use by veterans with service-connected disabilities for fertility counseling and adoption expenses reimbursement.

Research Canines: The Conference Report would prohibit use of funds to conduct research using canines unless the scientific objectives of the study can only be met by research with canines.

Bankruptcy: The House and Senate Committee Reports would direct the VA to submit a report outlining the legislative authority needed to exclude VA and DOD disability benefits from the calculation of a bankruptcy-filer's disposable income.

Native Hawaiian Small Businesses: Such businesses would be exempt from the public –private competition requirements set forth in section 842 of the <u>FY 2006 Transportation</u>, <u>Treasury</u>, <u>Housing and Urban Development</u>, the <u>Judiciary Appropriations Act</u>.

Social Security Number at VA: The Conference Report would direct the discontinuation of the usage of social security numbers with the Department of Veterans Affairs.

COMMITTEE ACTION:

The House passed <u>235 – 179</u> its consolidated Energy and Water, Military Construction and Veterans Affairs, Legislative Branch Appropriations Act on June 8, 2018.

The Senate passed 86 - 5 its consolidated Energy and Water, Military Construction and Veterans Affairs, Legislative Branch Appropriations Act on June 25, 2018.

The Conference Committee filed its Conference Report on September 10, 2018.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

"Congress has the power to enact this legislation pursuant to the following: The principal constitutional authority for this legislation is clause 7 of section 9 of article I of the Constitution of the United States (the appropriation power), which states: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . . ." In addition, clause 1 of section 8 of article I of the Constitution (the spending power) provides: "The Congress shall have the Power . . . to pay the Debts and provide for the common Defence and general Welfare of the United States. . . ."Together, these specific constitutional provisions establish the congressional power of the purse, granting Congress the authority to appropriate funds, to determine their purpose, amount, and period of availability, and to set forth terms and conditions governing their use."

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